

COMPARISON OF HEALTH SAVINGS OPTIONS UNDER H.R. 2596

	Medical Savings Accounts (Current Law)	Health Savings Accounts (H.R. 2596)	Health Savings Security Accounts (H.R. 2596)
Is anyone eligible?	No. Only employees of small businesses and the self-employed.	Yes.	Yes.
Are uninsured individuals eligible?	No.	No.	Yes.
Are individuals required to have certain types of health plans to be eligible?	Yes. The minimum deductible must be: \$1,700 for self coverage \$3,350 for family coverage	Yes. The minimum deductible must be: \$1,000 for self coverage \$2,000 for family coverage	No. Individuals are eligible even if they have no health plan. If they do have a health plan, the minimum deductible must be \$500 (self) or \$1,000 (family).
How much can individuals contribute annually?	65% of deductible for self coverage 75% of deductible for family coverage	100% of deductible	\$2,000 for self coverage and uninsured with no dependents \$4,000 for family coverage and uninsured with dependents
Can older workers make "catch-up contributions"?	No.	No.	Yes. Those age 55 and older can make contribute an extra \$500 (increasing to \$1,000)
Do contributions phase out above certain incomes?	No.	No.	Yes. They begin to phase out above: \$75,000 for self coverage \$150,000 for family coverage
Who can contribute to the account?	The individual or employer, <u>but not both</u> .	Individuals <u>and</u> employers.	Individuals, employers <u>and</u> family members.
What constitutes a qualified medical expense for purposes of tax-free distributions?	Tax-deductible medical expenses Prescription and over-the-counter drugs Long-term care services and insurance Health insurance for unemployed COBRA	Tax-deductible medical expenses Prescription and over-the-counter drugs Long-term care services and insurance Health insurance for unemployed COBRA	Tax-deductible medical expenses Prescription and over-the-counter drugs Long-term care services and insurance Health insurance for unemployed COBRA Health insurance for uninsured Retiree health, including Medicare
Can unused Flexible Spending Account balances be transferred to the account?	No.	Yes. Up to \$500 annually. If the individual is not eligible for an HSA, the funds can be transferred to a pension.	Yes. Up to \$500 annually. If the individual is not eligible for an HSA, the funds can be transferred to a pension.